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# GUIDELINES FOR PREPARING THE INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP)*

Prepared by

Industrial Investment Division

Department for Industrial Promotion, Consultations and Technology

* The contents of this document do not officially commit UNIDO to any particular course of action. This document has not been edited.

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## PREFACE

This document is divided into a glossary and four chapters and has been prepared to provide guidelines for the preparation of an Industrial Investment Project Profile (IIPP) which is an essential tool for successful investment projects identification and promotion. The glossary includes terms used in the investment projects identification, formulation, screening and promotion activities of UNIDO; familiarity with these terms is a pre-requisite for a clear comprehension of subsequent chapters. Chapter one explains the mandate and activities of UNIDO's Industrial Investment Programme. Chapter two presents the IIPP's structure and content and includes explanatory notes on each of its sections. In chapter three the formats of an IIPP and of a summary IIPP for a new industrial investment project are given in the form of questionnaires. Similarly chapter four presents a questionnaire format for an IIPP and a summary for an expansion/modernization or rehabilitation industrial investment project. The IIPP and summary formats for both new projects and for expansion/modernization or rehabilitation projects can be provided to UNIDO staff and UNIDO consultants as well as to entrepreneurs and others interested in obtaining UNIDO assistance in identifying and promoting their investment projects. UNIDO staff and UNIDO consultants can obtain these formats on computer diskettes to facilitate the introduction of any modifications which are deemed necessary to suit special conditions in a specific developing country or the requirements of specific investment projects. Copies of the glossary and of the explanatory notes of chapter two are also available. Since some sections or full chapters of this document may be used by persons who may not have the full document in hand, some statements are repeated in each of those parts which may be used separately.

The contents of this document drew extensively on the work of the staff and consultants of the Industrial Investment Division and its predecessors as well as of the Investment Promotion Services.

UNIDO INDUSTRIAL INVESTMENT PROGRAMME )*

GLOSSARY OF TERMS USED IN
INVESTMENT PROJECTS IDENTIFICATION,
FORMULATION AND PROMOTION ACTIVITIES

I. Investment Project (IP): An industrial investment proposal for the establishment of a new production facility or the expansion, modernization or rehabilitation of an existing facility whose implementation requires foreign investment resources which may include: equity, loan or other forms of traditional and non-traditional financing, technical or managment expertise, the supply of equipment or technology (licencing), training, market access, etc. as well as financial resources and/or expertise for preparing or completing, usually on a cost-sharing basis, the preparation of the required pre-investment studies.

II. National Investor (NI): The entrepreneurial risk-taker in a developing country who is seeking foreign investment resources required for the implementation of his project; and which he is willing to obtain through business-oriented co-operation. The presence of an NI is an essential pre-requisite for investment project promotion.

III. Foreign partner (FP): An enterprise or other business entity willing to supply, through business-oriented co-operation, the foreign investment resources required for the implementation of an investment project and/or to implement it with its national investor.

IV. The seven phases of the Industrial Investment Project:

1. Identification: perceiving potentially viable opportunities for processing and manufacturing and service activities that fit the resource endowment or comparative advantage of a given developing country. A project may be identified by a national entrepreneur but could also emerge from an opportunity study prepared by consultants or by a government department, e.g. a country's ministry of industry or of planning. Some project ideas may also be proposed to developing countries by firms and others in industrial countries. A project may be for the setting up of a new production facility or for expanding, modernizing or rehabilitating an existing one.

2. Formulation: Defining a project idea in enough detail to decide whether spending money on further preparation studies is justified, and to identify the issues that must be resolved before an investment decision can be made for the project's implementation.

3. Promotion: Combining all the activities of project sponsors and national investors or persons or institutions acting on their behalf to:

(a) Identify suppliers of the investment resources needed to implement the project;
(b) Arouse the interest of those suppliers in the specific project being promoted; and

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/* The UNIDO Industrial Investment Programme consists of the Industrial Investment Division in Vienna (IID) and the UNIDO network of Investment Promotion Services in Cologne, Milan, Paris, Seoul, Tokyo, Warsaw, Washington D.C., Vienna and Zurich, as well as the Industrial Co-operation Centers in Beijing and Moscow.

(c) Assist the national investor in contacting them, negotiating and concluding an agreement with them.

For the UNIDO Industrial Investment Programme to accept a project for promotion, it must have a national investor with the resources and experience to act as the local partner, or as party to an agreement, in a business venture.

4. Preparation: Completing pre-investment studies carried out jointly by the foreign and national investors/partners with the aim of demonstrating that a given project:

(a) Accords with the development objectives and immediate priorities of the country;
(b) Is technically sound and represents the best of the available options within existing constraints;
(c) Is economically and financially viable, and politically and socially acceptable;
(d) meets the investment criteria of both the national investor and foreign partner.

Pre-investment studies should also provide sufficiently accurate estimates of costs and revenues - and of when they will arise - so that decisions can be taken on the most appropriate financial structure for the project. The UNIDO Computer Model for Feasibility Analysis and Reporting (COMFAR) is a software package used for the preparation of feasibility studies of industrial investment projects.

5. Appraisal: Entails a critical review of pre-investment studies to test the validity of the assumptions on which their conclusions are based. Appraisal is the prerogative of the financiers, the ultimate aim of which is to determine whether the outputs generated by a project will justify the resources invested in it.

6. Implementation: Covers all activities from the moment the decision to proceed with a project is taken until it is producing goods or services for the market. Thus, this stage includes constructing or adapting factory buildings, purchasing, installing and testing machinery, hiring and training the work force, making arrangments for marketing and distribution of products, and trial production runs to ensure that volume and quality of output are as planned. The decision to implement and the ensuing activities are the responsibility of the partners who will share the risks and profits of the undertaking.

7. Operation: Refers to the phase that begins with the production of goods or services for market.

UNIDO can provide technical assistance during any of the above phases if a request is submitted and approved.

V. Project Profile Screening and Pre-Appraisal Information System (PROPSPIN): The software, developed by UNIDO and based on electronic spreadsheets, which enables the user to quickly prepare verifiable profiles of the physical and financial features of an industrial investment project and to analyze the effects of changes in selected parameters.

VI. Industrial Investment Project Profile (IIPP): The instrument or tool used by the IIP to identify and formulate an IP in preparation for its screening and subsequent promotion. Whenever the required data is available, the IIPP may be screened through the use of PROPSPIN

VII. An investment project is ready for promotion: When the IIPP has been screened by the UNIDO Industrial Investment Programme (IIP) to ensure that sufficient and checked information is available on: (i) the investment project itself, and on its national investor, to allow an initial determination that its rationale is valid; and (ii) the foreign investment resources required by the national investor from foreign partners have been determined.

VIII. An investment project is under promotion: When the IIP, having selected one or more foreign enterprises that are potential suppliers of the required foreign investment resources, sends the IIPP to these foreign enterprises and provides them with whatever additional information they may require on the national investor and on the developing country's investment climate, as well as on the investment project, with a view to arranging contacts between them and the national investor.

IX. An investment project is under negotiation: When a potential foreign partner, having expressed interest in business-oriented co-operation to implement an investment project, has established direct contact with its national investor to pursue their negotiation. At the start of such negotiations, a national investor may sign a "letter of intent" with the foreign partner in order to formally confirm their interest in pursuing investigations and negotiations. Such letters of intent are often signed during the investment promotion meetings organized by UNIDO IIP. (When a project is under negotiation, IIP and other UNIDO Divisions, where requested and after securing required financing, may provide technical assistance aimed at facilitating these negotiations. Such assistance may include completing pre-investment studies).

X. UNIDO IIP classifies an investment project as :

1. Category A when it is ready for promotion as defined above. A category A project has a serious national investor with previous experience in same or similar industrial activity and his business record is such that he is likely to be perceived as a "good" partner, or party to an agreement, by the foreign partner(s) potentially interested in business-oriented co-operation to implement the investment project presented by the national investor. Information given on the IIPP regarding the project and the national investor has been verified. The investment project itself is considered to be potentially sound technically and commercially. An additional positive attribute of category A projects is export orientation and local resource utilization. The project data provided is usually sufficient for a PROPSPIN run.

2. Category B when the project or project idea has a national investor but further investigation or verification are required before the project can be considered category A - i.e. "ready for promotion".

3. Category C when the project is still at the idea stage, but there is one or more reasons to believe that the project has a good chance of becoming a category B or category A project.

XI. The promotion of an investment project is concluded: When the foreign partner or the national investor have informed IIP that they have concluded a written agreement to co-operate in completing the project's preparation or in its implementation.

XII. An investment project is under implementation: When the commitment of financial and other resources required to put the project into operation has commenced.

XIII. An investment project is operational: When the industrial unit, which is its object, has commenced production.

XIV. Status of investment projects as shown on the UNIDO INPRIS* investment project file:

An investment project is:

1. Pipeline
when it is still a project idea, or has not been fully formulated and/or has no national investor (Category B or C);

2. Active
when it is ready for promotion (Category A) or is under promotion or under negotiation;

3. Concluded
when the promotion of the project is concluded;

4. Implemented
when the project is under implementation or operational;

5. Terminated
when, after a period of three years during which the project was active, no progress in concluding its promotion has been achieved;

6. Withdrawn
when the national investor requests IIP to cease the formulation or promotion of the project.

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(*)INPRIS (the Investment Promotion Information System) consists of searchable computerized data banks used to improve the recording, retrieval and dissemination of information related to investment projects identification and promotion.

## CHAPTER ONE : THE UNIDO INVESTMENT PROGRAM

(1) UNIDO assists the enterprise sector in developing countries to mobilize foreign investment resources required for the implementation of their new, expansion, modernization or rehabilitation investment projects. The foreign investment resources which UNIDO can assist in mobilizing include equity, loan or other forms of traditional and non-traditional financing, technical or management expertise, the supply of equipment or technology (licencing), training, market access, etc, as well as financial resources and/or expertise for preparing or completing the preparation of the reuqired pre-investment studies. Entrepreneurs in developing countries are assisted in mobilizing these resources through international business oriented co-operation with foreign partners. Within UNIDO this assistance is provided by the Industrial Investment Programme (IIP) which consists of the UNIDO Industrial Investment Division at UNIDO HQ in Vienna, the UNIDO network of Investment Promotion Services (IPSs)* in Cologne, Milan, Paris, Seoul, Tokyo, Vienna, Warsaw, Washington D.C. and Zurich as well as the Industrial Co-operation Centres in Beijing and Moscow; and informal focal points in several UNIDO member countries.

(2) The UNIDO Industrial Investment Programme achieves its objective of mobilizing foreign investment resources for developing countries by assisting their entrepreneurs in the identification, formulation and promotion of specific, and potentially viable, investment projects which require foreign investment resources for their implementation.

(3) As an aid to investment project identification and formulation in developing countries, the Industrial Investment Division (IID) has developed the "How to Start Manufacturing Industries" series of plants profiles, each of which lists the pre-requisites for a particular process: raw materials, machinery and equipment, labour, initial investment and some elements of production cost.

(4) To assist it in the formulation and screening of investment projects whose promotion requires an analysis of their financial aspects, the Industrial Investment Programme (IIP) is using a simple application software package for testing purposes entitled PROPSPIN ("Project Screening and Pre-appraisal information System"). This software is suitable for users who are not necessarily specialists in financial analysis.

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* The IPSs are funded by a special contribution of their host country governments.

(5) IID promotes investment projects, i.e. contacts potential foreign partners and endeavours to arouse their interest, in two main ways:

(a) Through the nine UNIDO Investment Promotion Services (IPSs) and the two Industrial Co-operation Centres whose principal function is to identify foreign partners for the investment projects of investors from developing countries. The staff of the IPSs are in close touch with business communities and development agencies in their host countries and have established data banks with details of companies interested in industrial partnerships in developing countries, and of the type of opportunity they are seeking. The Delegates Programme implemented by the IPSs enables officials from investment promotion agencies, ministries of industry and other similar institutions in developing countries to participate in the day-to-day investment project promotion work of these offices and to develop direct contacts with host country industrialists, and with development and financing institutions. These delegates promote specific investment projects in their home countries and are also a valuable informal source of information on investment conditions in their home countries and the incentives offered to foreign investors.

(b) Through a database of information entitled Investment Promotion Information System (INPRIS) which IID maintains at Headquarters. In addition to details of active investment projects, the INPRIS database contains details of firms, in countries where UNIDO does not yet operate an IPS, which have registered their interest in investment projects in developing countries. Such firms receive details of investment projects being promoted by IID in the subsectors and regions that interest them.

(6) The IIP has also developed a number of tools for bringing projects sponsors into direct contact with potential foreign partners. The most important of these are:

(a) Investment Project Promotion Forums (Investment Forums) which are usually held in the developing countries to enable national investors and potential foreign partners to hold face-to-face bilateral discussions on specific investment projects previously identified and promoted by the IIP. Occasionally such forums are also held in industrialized countries in conjunction with specialized industrial fairs. The interaction, at the level of specific investment projects, between national investors from developing countries and potential foreign partners from industrial and other countries, often results in new project ideas being proposed to the national investors .

(b) Country Presentation Tours which are usually undertaken in the host countries of the IPSs, but may also be organized in other countries, for delegations from developing countries comprising senior government officials, executives of chambers of commerce and businessmen. The delegations call on potential foreign partners to provide them with information on investment conditions and opportunities in their home countries and to discuss specific investment opportunities.

(7) Although UNIDO IIP can assist individual entrepreneurs in formulating and promoting their investment projects, the assistance described above is usually provided through the implementation of comprehensive and integrated industrial investment technical assistance programmes which are especially designed for each developing country on the basis of a prior analysis of its industrial policies and programmes, its investment climate, its projects identification and promotion institutional infrastructure, and its industrial investment promotion needs. Such a programme may include, in addition to specific investment projects identification, formulation and promotion, assistance in investment climate improvement, and strengthening of local institutions and national capabilibities in industrial investment project identification, formulation and promotion. The success of these programmes is directly linked to the number of investment projects whose promotion is successfully concluded. The implementation of these programs may be financed from a variety of sources such as UNDP, bilateral and other multilateral financing institutions and donors, and trust funds provided to UNIDO by the developing countries governments, by institutions, such as development banks, or by industrial firms .

(8) Enquiries or correspondence concerning UNIDO's industrial investment activities can be addressed to:

Director, Industrial Investment Division
United Nations Industrial Development Organization
Vienna International Centre
P.O.Box 300
A-1400 Vienna, Austria

Telephone: 211310
Telex: 113340
Telefax: 2308260

## CHAPTER TWO: THE STRUCTURE AND CONTENT OF AN INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP)

(1) The Industrial Investment Project Profile (IIPP) is the instrument or tool used by UNIDO to identify and formulate an investment project in preparation for its screening and subsequent promotion by presenting it to potential suppliers, on a business or commercial basis, of the foreign investment resources required by investors in developing countries. Hence the crucial importance of the IIPP and of the reliability of the information contained therein. However, the IIPP itself is not intended to be a pre-investment study.

(2) This chapter seeks to explain the structure and content of an IIPP in order to facilitate: (i) the task of completing the IIPP by UNIDO staff members, consultants and the national investors themselves or their representatives; and (ii) the screening of the IIPP by UNIDO in order to determine whether the project is ready for promotion or requires further formulation.

(3) Regardless of how much information is available on an investment project, each IIPP should always include the following five main sections:

Section one: The product: What is it that the project aims to produce?.

Section two: The investment project's rationale and its target markets: Does the project make sense or does it represent wishfull thinking? What is its logic? Has its market been identified?

Section three: The national investor: Even if the project makes sense, who is the national investor (entrepreneur) behind it and does he have the capabilities to implement and operate the proposed investment project?

Section four: The foreign investment resources required: Exactly what investment resources is the national investor (entrepreneur) seeking to obtain from a foreign partner?

Section five: Documentation/studies completed, under prepartion or expected to be required to convince potential foreign partners of the attractiveness of the investment project as a business opportunity and to enter into negotiations with the national investors for the supply of the foreign investment resources required by the latter: What studies, investigations, etc. have been undertaken to support or to prove the statements and claims made in the above four sections?

(4) The information provided in each section of the IIPP and the degree of detail should be dictated by the nature of the investment project and of the foreign investment resources sought and should contribute to facilitating the promotion of the project - i.e. convincing the potential foreign partner contacted by UNIDO that he could profit from entering into a business relationship with the national investor/entrepreneur for the supply of the foreign investment resources sought by the latter. The potential foreign partner learns about the investment project from the IIPP and it is the latter which can convince him that the investment project has potential as a profitable business opportunity and therefore he should contact the national investor to pursue their business negotiations. Bearing this important consideration in mind, and knowing that it is difficult to standardize information on investment projects, the length of each section of the IIPP can be a few lines or several pages depending on the availability and reliability of information; and there is no limit to the information which can be included in, or annexed to, section five.

Regardless of whether the investment project is judged by the person preparing the IIPP to be category (*) A, B, or C, the format of the IIPP should follow the above section subdivisions. The length and content of each section will vary from one project to another. For category A projects any information which has not been checked and verified should be clearly indicated. The person completing the IIPP should also provide his own judgement on the investment project's rationale and on the suitability and credibility of the national investor. A clear indication should be given whenever the information provided is to be treated confidentially. If an IIPP summary is required, the one or two page summary should include the same five sections of the full IIPP. Sample IIPP and summary questionnaire forms are given in chapters III and IV.

The following Explanatory Note further explains the contents of an IIPP:

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(*) see glossary for explanation of these categories.

## EXPLANATORY NOTE FOR PREPARING THE INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP)

(Whenever possible the IIPP should be prepared on a computer diskette (type of software utilized should be specified) ; a print out together with the diskette should be sent to UNIDO HQ in Vienna).

COUNTRY: .....

INVESTMENT PROJECT TITLE: .....

(The title should indicate whether it is a new, expansion, modernization or rehabilitation project)

IIPP NO.:.....and CATEGORY:.....
This IIPP was completed by: (NAME, ADDRESS, TELEPHONE, TELEX AND FAX NUMBERS) in (PLACE) on (DATE)

SECTION I — Description, specifications, and uses of new product(s) to be produced or to be marketed and/or of the products being (or were) produced in a plant to be expanded, modernized or rehabilitated.

SECTION II — Description of the investment project and of its rationale especially target market(s) and marketing investigations completed or ongoing:

(i) Explaining the project's rationale or logic is extremely important for eventual successful promotion. This explanation should answer, inter alia, the following questions: what is the essence of the proposed business venture? What are the major risks involved ? How and who generated the project idea ? The following quotation from a recent annual report of a development financing institution (DFI) in an industrial country illustrates how a project's rationale may be presented: "In 1989, the DFI was co-founder of one of the first joint ventures to include a foreign partner in a war-torn developing country. The perspectives in this project are more than interesting, both because a small investment will produce a high development impact, and because private investors will enter into a mutually beneficial relationship with aid donor organizations. Fully aware of the high risks associated with activities in the developing country, the DFI and the other investors have formulated a concept that minimizes investment without reducing the development impact. For some years, donor organizations have financed large investments in the refrigeration sector in the country. Among others benefiting from the investment, is the fishing

industry, that now has considerable refrigeration plants at its disposal, both ashore and on board trawlers. The problem in this case is two-fold - first there are not enough qualified people to maintain the equipment, and secondly, it is difficult to obtain spare parts.

This creates the further problem that maximum benefit of the equipment is not achieved, which, in turn, causes the DFI to think twice about further investment. The problem has been alleviated through the new joint venture company. Apart from the DFI, the other partners in the project are a foreign company, the privately owned developing country company, and a state owned company. The staff of the joint venture company is provided by the state owned company, whilst their training is the responsibility of the foreign company technician. One of the great diffiliculties confronting the developing country is to acquire hard currency for the payment of foreign workers and for a stock of spare parts. This has been partly overcome by agreement with the government, allowing local expenses incurred on projects financed by foreign aid to be settled in convertible currency. The service company is thus the key to further aid to the area, just as the aid is the key to the very existence and smooth running of the service company. Well maintained refirgeration euqipment gives a much better return on investment in the sector. It creates more jobs, it opens an opportunity for export and it improves the nutritional condition of the population, as fish and other foodstuffs can be stored and distributed more widely to a larger part of the country."

(ii) The existence of a market outlet for an industrial product is a crucial element in the eventual success of an investment project, therefore local or export market considerations and data should be provided. Major other justifications for expecting the project to operate profitably should be highlighted - e.g. Are required main raw materials or skilled labor required locally available and obtainable at an advantageous cost? Are there special incentives or concessions from which the project can benefit? Has the government's approval already been obtained? etc.

(iii) This section should include a brief review of the environmental aspects of the project which should indicate critical environmental considerations, if any, and whether the project complies or will comply with the environmental requirements of the country in which the project will be located. The World Bank's environmental guidelines may be consulted.

SECTION III — Information on the project's developing country investor(s) and the resources to be invested by the latter in the project:

(i) The developing country investor hereinafter referred to as the national investor is the person (or persons), with whom the foreign partner will negotiate. Eventual success in the promotion of an investment project depends to a large extent on the completeness and reliability of the information provided on the capabilities and experience of the national investor in directing the project and on the investments and risks which he is willing to make and take in the project.

(ii) If a UNIDO staff member or consultant is completing the IIPP he should seek to confirm the information provided by the national investor and should make a specific statement to this effect and attach it to this IIPP. An example of a statement is the following:

I have reviewed the above information and confirm that it is consistent with my own observations and discussions with the local investor and other concerned persons, subject only to any reservations specified below.

I have the following additions or reservations as regards the information given above:

Date: Place: Signature:

(iii) The national investor should indicate in writing his interest in having UNIDO promote his project

SECTION IV — Description of the investment resources (financing, equipment, expertise, market access, etc.) which the project's developing country investor(s) is seeking to obtain from foreign sources:

(i) This section should describe each required resource in sufficient detail to enable a potential foreign partner to decide whether he could be interested in business co-operation or not..

(ii) There are two basic types of business oriented co-operation: (i) a joint venture where both local and foreign partners provide (a) equity or loan finance as well as non traditional finance; and (b) their knowledge of market, production techniques and general business management; and (ii) agreements for the supply of know-how (technical or managerial), equipment, etc; and for market access. Business co-operation may include more than one of the above types. Whenever possible this section should include: (1) a money

value estimate of the cost of the resource(s) sought, (2) previous project promotion activities undertaken; and (3) preferred countries in which to promote the project, and other promotion strategy considerations desired.

(iii) If financing is required by the national investor, indicate if a local development bank or other financiers have been contacted and the outcome of these contacts; it is extremely useful to know, before starting the promotion of an investment project to be established in a developing country, the views of the local development bank(s) on the project and its national investor and whether the bank(s) are willing to participate in its financing, and if not, why not.

SECTION V

Documentation/studies completed, under preparation or expected to be required to convince potential foreign partners of the attractiveness of the investment project as a business opportunity and to enter into negotiations with investors from the developing country concerned for the supply of the foreign investment resources required by the latter. Such documentation may include pre-investment, diagnostic, market, or other studies, as well as guarantees or contracts forms, etc.

(i) This section should include summary findings, conclusions and recommendations of completed pre-investment or other studies, and indicate date and degree of detail of each study, name and address of authors, availability of copies and from whom these can be obtained. TOR, or a summary thereof, of ongoing studies or to be undertaken should also be included. Other information to be provided will depend on the foreign investment resources being sought and should include any additional information considered desirable for the successful promotion of the project - e.g. if debt or equity financing is required, preliminary project information similar to that of the IFC which is reproduced below will need to be prepared for eventual submission to the potential financier; some financing institutions may accept the UNIDO IIPP provided it contains all the information required. In such a case the information should be obtained and attached to the IIPP; alternatively an indication should be given regarding the availability of the information and ways and means of obtaining it. The PROPSPIN Data Entry worksheets should also be completed for projects requiring financing.

(ii) Preliminary information on a project should include the following:

1. Brief description of project

2. Sponsorship, Management and Technical Assistance:

   a. History and business of sponsors, including financial information.

   b. Proposed management arrangements and list of executive management, with curricula.

   c. Description of technical arrangements for know-how and other external assistance (management, production, with , finance, etc).

3. Market and Sales:

   a. Basic market orientation; export, local national, local regional.

   b. Projected production volume, sales objectives, and market share of proposed venture.

   c. Potential users of products and distribution channels to be used.

   d. Present sources of supply for products. Future competition and possibility that market may be satisfied by substitute products.

   e. Tariff protection or import restrictions relating to products.

   f. Critical factors that determine market potential.

   g. Review aspects and consequences of any proposed or existing regional economic integration agreements.

4. Technical Feasibility, Manpower and Raw Material Resources

   a. Brief description of manufacturing process.

   b. Comments on special technical complexities, needs for know-how and special skills.

   c. Possible sources of equipment supply.

   d. Availability of manpower and of infrastructure facilities (transport and communications, power, water,etc.).

   e. Sources, costs, and quality of raw material supply and relations with support industries.

   f. Are required raw materials subject to import restrictions?

   g. Proposed plant location in relation to suppliers, markets, infrastructure and manpower.

   h. proposed plant size in comparison with other known plants.

5. Investment Requirements, Project Financing and Returns

   a. Estimate of total project cost, broken down into land, construction, installed euqipment and working capital, indicating foreign exchange component.

   b. Proposed financial structure of venture, indicating expected sources and terms of equity and debt financing.

   c. Type of financing-loan, equity or both and amount.

   d. Information on profitability and return on investment.

   e. Critical factors determing profitability.

6. Government Support and Regulations:

   a. Project in context of government economic development and investment programme.

   b. Specific government incentives and support available to project.

   c. Expected contribution of project to economic development.

   d. Outline government regulations regarding exchange controls and conditions on capital entry and repatriation.

7. Time Scale Envisaged for Project Preparation and Completion

## Chapter III. SAMPLE INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP) AND SUMMARY FOR A NEW INVESTMENT PROJECT

INTRODUCTORY NOTE AND INSTRUCTIONS:

(1) The UNIDO Industrial Investment Programme (IIP) achieves its objective of mobilizing foreign investment resources (financing, expertise, technology, equipment, market access, etc.) for developing countries by assisting their investors/entrepreneurs in the identification, formulation and promotion of specific, and potentially viable, industrial investment projects which require foreign investment resources for their implementation.

(2) The Industrial Investment Project Profile (IIPP) is the instrument or tool used by UNIDO IIP to identify and formulate an industrial investment project in preparation for its screening and subsequent promotion by presenting it to potential suppliers, on a business basis, of the foreign investment resources required by investors in developing countries. Hence the crucial importance of this IIPP and of the reliability of the information it contains. However, it should be emphasized that the IIPP itself is not intended to be a pre-investment study. The purpose of this IIPP is to facilitate the promotion of the project - i.e. convincing the potential foreign partner contacted by UNIDO IIP that he could profit from entering into a business relationship with the national investor for the supply of the foreign investment resources sought by the latter.

(3) This IIPP has five main sections, the information provided in each section and the degree of detail should be dictated by the nature of the investment project, the availability of information, and above all by the nature of the foreign investment resources sougth by the national investor. Bearing in mind the important fact that the potential foreign partner learns about the investment project from the IIPP and it is the latter which can convince him of contacting the national investor to pursue their business negotiations, the length of each section of this IIPP can be a few lines or several pages depending on the availability of reliable information; there is no limit to the information which can be included or summarized in, or annexed to, section five. Any information which has not been checked or verified should be clearly indicated. The minimum information without which UNIDO IIP cannot accept an IIPP for screening and subsequent promotion is: (a) a clear description of the product to be produced and the target market(s) (sections I and II); (b) adequate information on the national investor (section III); (c) as clear as possible a description of the investment resources which the national investor plans to invest in the project and those which he is seeking to obtain from foreign partners (sections III and IV) and (d) the project's rationale or the essence of the proposed business (section II).

(4) If insufficient space has been provided for certain answers, or if a particular aspect of relevance to the project is not covered by this IIPP, additional sheets should be attached. On the other hand, if there is insufficient information to answer a question, an estimate should be given if possible and a note should be included clearly indicating where an estimate

was made. If data is available to complete Part II of section V of this IIPP, some parts and tables in Sections II and III may not need to be completed since this will only repeat information provided in Part II of Section V. Priority should be given to completing Part II of Section V.

(5) The information which the national investor wishes to have treated confidentially should be indicated.

(6) It may occur during the preparation of an IIPP that the project is judged to be requiring technical assistance on a grant basis before it can become suitable for promotion as a business venture. Such technical assistance requirement should be brought as soon as possible to the attention of UNIDO IIP for follow-up.

(7) Whenever possible, this IIPP should be prepared on a computer diskette; a print-out together with the diskette (specifying the type of software used) should be sent to the address given in item (8) below.

(8) Any correspondence concerning the proposed project (and any other matter connected with UNIDO's industrial investment activities) should be addressed to:

The Director
Industrial Investment Division
United Nations Industrial Development Organization (UNIDO)
P.O.Box 300
A-1400 Vienna
Austria, Europe

Telephone: 211310
Telex: 113340
Telefax: 2308260

SAMPLE INDUSTRIAL INVESTMENT PROJECTS PROFILE (IIPP) For A NEW INVESTMENT PROJECT

(See Introductory Note and Instructions before completing this IIPP)

Country:

Project Title:

Project No.: * Category:* ISIC:*

This IIPP was prepared by

(Name, Address)

on (date) in (place)

## SECTION I

DESCRIPTION AND SPECIFICATIONS OF NEW PRODUCT(s) TO BE PRODUCED OR TO BE MARKETED:

I.1. Describe the main characteristics/specifications of the new product(s) to be produced (size, type, quality, etc.) using Table I.1. Add additional sheets if required).

Table I.1

| | Product(s) | Specifications (size, type, quality, etc.) |
|---|---|---|
| 1: | | |
| 2: | | |
| 3: | | |
| 4: | | |
| 5: | | |
| 6: | | |

I.2. Is the national investor interested in considering proposals from potential foreign partners for modifications or additions to the products proposed above;

[ ] Yes [ ] No

* to be determined in consultation with UNIDO

## SECTION II

DESCRIPTION OF THE INVESTMENT PROJECT AND ITS RATIONALE ESPECIALLY TARGET MARKET(s) AND MARKETING INVESTIGATIONS COMPLETED OR ONGOING:

II.1. Describe the history, background and major characteristics of the project and its rationale by indicating, inter alia: (i) the essence of the proposed business venture, its major risks and issues. (ii) proposed size of plant and its location; and whether other plants are operating in the country; (iii) the market(s) in which it expects to sell its products, the reasons for concluding that the product(s) will sell in this market at a suitable price; (iv) the main reasons for expecting the project to be a viable undertaking (availability of raw materials, labor, etc. at competitive prices, special incentives and concessions); (v) why foreign investment resources are being sought, etc., (vi) critical environmental considerations (regulations, major hazards, pollution risks, workers saftety), (vii) estimated total investment and employment, etc., (viii) who will manage project?

## II.2. PLANT CAPACITY AND PRODUCTION PROGRAMME

### II.2.1. Plant Capapcity

Indicate the proposed plant capacity (maximum rated capacity) for each finished product [main product(s), by-product(s)] to be manufactured, using Table II.2.1

Table II.2.1.

Proposed Maximum Rated Plant Production Capacity

| | Product(s) as listed in Table I.1 | Units/day | No. of Shifts/day | Working days/year | Units per year |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |

### II.2.2. Production Programme:

Indicate the production programme using Table II.2.2.

Table II.2.2.

Production Programme (for 10 years)

| | Product(s) as listed in Table II.1 | % of maximum rated capacity or number of units by year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | | | | | | | | | |
| 6 | | | | | | | | | | | |

## II.3. MARKETS AND MARKETING STRATEGY

### II.3.1 Markets

II.3.1.1. Have any market studies been prepared or are ongoing, summarize conclusions or TOR and indicate who prepared the studies and date of completion:

II.3.1.2 Estimate the current annual domestic sales and demand for the products envisaged by this project, the rate at which this demand is expected to grow over the next five years using Table II.3.1.2.:

Table II.3.1.2.

| | Product(s) | Current Annual Domestic Sales (Unit) | Estimated Current Annual Domestic demand (Unit) | Estimated Annual Growth rate over the next five years (% per year) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |

II.3.1.3. Indicate what percentage of current annual domestic sales is produced domestically and what precentage is imported and at what prices using Table II.3.1.3..

Table II.3.1.3.

| | Product | Domestic production | | Imports | |
|---|---|---|---|---|---|
| | | Percentage of current annual domestic sales | Current Selling price per unit in local currency: specify | Percentage of current annual domestic sales | Current CIF cost per unit (in hard currency) specify |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |

The exchange rate between local and hard currency was .....on .....

II.3.2. Marketing Strategy:

II.3.2.1. What share of the domestic market is this project expected to capture? _____ %

II.3.2.2. What measures will be taken to capture (a share of) the local market?

[ ] Requesting Government protection from imports

[ ] Offering lower sales prices

[ ] Manufacturing better quality products

[ ] Offering better servicing

[ ] Other (specify)

II.3.2.3. Is there an existing sales organization or is it necessary to establish one (size, qualifications)?

II.3.2.4. Does your country already export the product(s) to be manufactured by the proposed plant?

[ ] Yes [ ] No

If yes, indicate to which countries, and what quantities using Table II.3.2.4.

Table II.3.2.4.

| | Product | Country of export | Current Annual Exports | Units |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |

II.3.2.5. Does this project expect to export its products?

[ ] Yes [ ] No

If yes, indicate the markets, and the percentage to be exported using Table II.3.2.5.

Table II.3.2.5.

| | Product | Percentage of total annual production to be exported | Target export Market |
|---|---|---|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |

II.3.2.6. Is the product(s) subject to any special importation quotas in the targeted export markets?

[ ] Yes [ ] No [ ] Don't know

II.3.2.7. Will the product(s) benefit from trade agreements between your country and proposed export markets?

[ ] Yes [ ] No [ ] Don't know

## SECTION III

### THE NATIONAL INVESTOR AND THE RESOURCES HE WILL INVEST IN THE PROJECT: *

As much as possible of the information requested below should be supplied by the national investor, preferably using the letterhead of his existing business. For this purpose the national investor is the person (or persons) who will ultimately lead the negotiations on implementation of the investment project with a prospective foreign partner, and must therefore always be a natural person, regardless of whether he trades in his own name, and that of any partners he may have, or in the name of a legal entity such as a limited liability company. The investor should feel at liberty to provide any additional information he considers may facilitate the screening of his project by UNIDO and by prospective foreign partners.

III.1. Full name, address, telephone (business and private) and telex of the national investor and of the contact person for the promotion of the investment project.

III.2. Full name, address, telephone and telex of the national investor's business or employer, if different from the above.

III.3. The investor's title and function in the business.

III.4. Details of any formal educational qualifications (degree, diploma, licence, practical or on the job training, etc) and establishment where obtained, held by the national investor and key management and which are relevant to their functions.

III.5. Type of business in which previously or currently engaged and number of years of experience, e.g. manufacturing, assembly, maintenance, wholesale or retail trade, consulting; items traded or produced; location of production facilities; number of own sales outlets; number of employees, distinguishing between managerial, clerical/sales and manual workers; approximate net worth and net current assets of the business.

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*) If a UNIDO staff member or consultant is completing the IIPP he should seek to confirm the information provided by the national investor and should make a specific statement to this effect and attach it to this IIPP. An example of a statement is the following:

I have reviewed the above information and confirm that it is consistent with my own observations and discussions with the local investor and other concerned persons, subject only to any reservations specified below.

I have the following additions or reservations as regards the information given above:

Date: Place: Signature:

III.6. Annual sales turnover and the share of exports in such turnover. If exports are material, their amount and the countries to which they are made should be specified.

III.7. Whether the investor has a controlling interest in the business; if not, who does control it.

III.8. Whether the investor's business is part of a group of companies. If so, brief details of the group, its ultimate ownership and its business activities should be given.

III.9. Whether financial statements covering the last three years are available, and whether they have been independently audited.

III.10. The name and address of the investor's local and foreign bankers and an indication whether they may be approached by a potential foreign partner for reference.

III.11. Describe the investment resources (financial, real assets, expertise, etc.) which the national investor is planning to invest in the project.

III.12. Any other information which the national investor feels is of interest to a potential foreign partner.

III.13 The national investor should indicate in writing his interest in UNIDO promoting his project.

## SECTION IV

### FOREIGN INVESTMENT RESOURCES SOUGHT BY THE NATIONAL INVESTOR:

IV.1. Attach the written confirmation of the national invstor's wish that UNIDO IIP promotes his project - i.e. assists in identifying potential foreign supplies of the required foreign investment resources and in establishing direct contact between the national investor and these potential foreign suppliers.

IV.2. Indicate and describe the resources sought.

IV.2.1. Project financing through:

(i) equity participation: (percentage of total equity and amount; date when amount is to be transferred, special incentives available to foreign investor and other relevant national regulations, preferred sources, etc.)

(ii) loan: (amount, duration, desired interest rate, grace period, etc., purpose for which loan will be used, guarantees for repayment, when and how national investor wishes to have loan transferred, preferred sources,etc.):

(iii) Non-traditional financing: [what type (buyback, countertrade), terms and conditions and brief description of applicable national regulations, preferred sources, etc.]:

(iv) other (specify):

IV.2.2. Describe previous attempts to obtain required financing, sources approached (especially national financing institutions), and results achieved; indicate proposed promotion strategy to be adopted by UNIDO IIP:

IV.2.3. Agreements to provide and/or to finance the provision of: -

(i) management and/or technical expertise: (describe and indicate starting date, duration, if financing required and for how long, preferred sources, etc.)

(ii) machinery and equipment: (describe, indicate preferred country of origin, when required, period of financing, if required, and repayment guarantees)

(iii) technology acquisition: (describe technology required and indicate preferred modality of acquisition (licence, franchise, etc.), preferred source or country of origin, etc.)

(iv) market access: (indicate which markets, previous experience selling in export markets, nature of proposed business agreement, etc.)

(v) Subcontracting: (describe products, previous subcontracting experience, in terms fo products and markets, important elements of proposed business agreement, etc.)

(vi) other (specify):

IV.2.4 Describe previous attempts, if any, to obtain above investment resources, sources approached and results obtained; indicate proposed promotion strategy to be adopted by UNIDO IIP:

## SECTION V

DOCUMENTATION/STUDIES COMPLETED, UNDER PREPARATION OR EXPECTED TO BE REQUIRED TO CONVINCE POTENTIAL FOREIGN PARTNERS OF THE ATTRACTIVENESS OF THE INVESTMENT PROJECT AS A BUSINESS OPPORTUNITY AND TO ENTER INTO NEGOTIATIONS WITH INVESTORS FROM THE DEVELOPING COUNTRY CONCERNED FOR THE SUPPLY OF THE FOREIGN INVESTMENT RESOURCES REQUIRED BY THE LATTER. SUCH DOCUMENTATION MAY INCLUDE PRE-INVESTMENT, DIAGNOSTIC, MARKET, OR OTHER STUDIES, AS WELL AS GUARANTEES OR CONTRACTS FORMS, ETC.

If project financing is sought by the national investor, convincing pre-investment studies will be required by potential foreign financiers. Annex E contains an outline of the preliminary project information file required by a typical financing institution. Similary if the national investor is seeking agreements to provide expertise or other forms of business co-operation such as access to foreign markets or subcontracting, potential foreign partners will require proposed texts of agreements, tests results, market investigations, etc. which provide details and substantiate the statements made in the above four sections.

### Part I

V.1 Are any pre-investment studies, project reports, etc. available or being prepared on the project?

[ ] Yes [ ] No

If yes, please list and give dates when they were completed and by whom, including studies under preparation, or necessary updating:

| Under preparation: | Date completed: | By whom: | No. of pages: |
|---|---|---|---|
| [ ] (Pre-)feasibility study | | | |
| [ ] Full feasibility study | | | |
| [ ] Detailed project description | | | |
| [ ] Preliminary Project Information File | | | |
| [ ] Detailed description of non project finance related investment resources | | | |
| [ ] Technical study | | | |
| [ ] Other (specify) | | | |

Attach one copy of each study or report completed and of the TOR of those under preparation or comtemplates.

V.2. For projects seeking financing, summarize, under the following headings, relevant findings, conclusions and recommendations of each study completed, as well as of the TOR of those under preparation or contemplated:

(i) Justification for technology and plant size selected.

(ii) Costs and availability of raw materials, energy and manpower.

(iii) Status of project approval by relevant government authorities.

(iv) Fiscal and other incentives which can be, or have already been, granted to the project and its product(s).

(v) Financial forecasts covering: total investment required; sources of finance; analysis of revenues and operating costs; rates of return and sensitivity analysis (an analysis of how changes in assumptions can affect financial returns and structure). In order to enable UNIDO IIP to prepare or to verify financial forecasts, the attached PROPSPIN DATA ENTRY FORMS (ANNEX F) must be completed.

(vi) A proposed schedule of implementation of the project covering activities to be undertaken before and after a final investment decision is made.

## PART II

Whenever data is available, the following tables should be completed:

The following data are required to assess the financial viability of the proposed, through the UNIDO software programme PROPSPIN.

PROPSPIN - DATA ENTRY WORKSHEET

| | | |
|---|---|---|
| Foreseen construction period (months) ..... | Income Tax Deferral (Yrs)..... | Rate of Discount (%) ..... (*) |
| Foreseen year of start up of production ..... | Income Tax Rate (%)..... | Inflation (%) ..... |

| INVESTMENT (Thousands US $) | Local | Foreign | Annual Depreciation and Amortization Rate (%) (**) | Annual Maintenance and Insurance Rate (%) (**) |
|---|---|---|---|---|
| Land | ..... | ..... | (0) | (0) |
| Site Preparation | ..... | ..... | (2) | (0) |
| Design & Engineering | ..... | ..... | (10) | (0) |
| Buildings | ..... | ..... | (5) | (2) |
| Service Facilities | ..... | ..... | (5) | (2) |
| Transport Equipment | ..... | ..... | (25) | (5) |
| Plant Mach. & Equip. | ..... | ..... | (10) | (3) |
| Infrastructure | ..... | ..... | (3) | (1) |
| Subtotal | ..... | ..... | | |
| Preproduction Capital Expenditures | ..... | ..... | (25) | |
| Contingencies | ..... | ..... | (5) | |
| Research & developm. | ..... | ..... | (20) | |
| Technology | ..... | ..... | (20) | |
| Tot. Initial Fixed Investment | ..... | ..... | | |
| Net Initial Working Capital | ..... | ..... | | |
| TOTAL INVESTMENT | ..... | ..... | | |

---

(*) If not available give an estimate based on cost of medium terms loans, plus 2-3 % as "risk factor".

(**) Modify if local conditions or your experience suggest different rates.

Note: Whenever no data are needed leave space blank: all data fields in the PROPSPIN Programme have been pre-set to zero.

**CAPITAL STRUCTURE**

| (Thousand US $) | Local | Foreign | |
|---|---|---|---|
| Equity | ..... | ..... | ..... (% of Net Profit) |

| Loans | | | Interest Rate (%) | | Terms of repayment (Yrs) | | Grace period (Yrs) | |
|---|---|---|---|---|---|---|---|---|
| | | | Loc. | Forgn. | Loc. | Forgn. | Loc. | Forgn. |
| Long term loans | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Short term loans | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Bonds/Debentures | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Suppliers Credits | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Export Credits | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Subsidies | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

| | | |
|---|---|---|
| Total Debt and Equity | ..... | ..... |
| Total Debt. | | |

## OPERATIONS DATA

| PRODUCTION/SALES | PRODUCTION DESCRIPTIONS | UNIT: |
|---|---|---|
| Product 1: | ..... | ..... |
| Product 2: | ..... | ..... |
| Product 3: | ..... | ..... |
| Product 4: | ..... | ..... |
| Product 5: | ..... | ..... |
| Product 6: | ..... | ..... |

| | Prod. 1 | Prod. 2 | Prod. 3 | Prod. 4 | Prod. 5 | Prod. 6 |
|---|---|---|---|---|---|---|
| Capacity/Year (in units) | ..... | ..... | ..... | ..... | ..... | ..... |
| Number of shifts: | ..... | ..... | ..... | ..... | ..... | ..... |
| Number of days/year: | ..... | ..... | ..... | ..... | ..... | ..... |
| Unit Prices (US$): | ..... | ..... | ..... | ..... | ..... | ..... |
| - domestic price: | ..... | ..... | ..... | ..... | ..... | ..... |
| - (+) subsidy (if any) | ..... | ..... | ..... | ..... | ..... | ..... |
| - (-) tax & duties | ..... | ..... | ..... | ..... | ..... | ..... |
| - fob esxport price | ..... | ..... | ..... | ..... | ..... | ..... |
| - export rebate % (if any) | ..... | ..... | ..... | ..... | ..... | ..... |
| - cif import price | ..... | ..... | ..... | ..... | ..... | ..... |

| Annual capacity utilization (%) | Year: 1 | 2 | 3 | 4 | 5 | 6 | 7-15 |
|---|---|---|---|---|---|---|---|
| Product 1: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 2: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 3: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 4: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 5: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 6: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

| Part of product. exported (%) | Year: 1 | 2 | 3 | 4 | 5 | 6 | 7-15 |
|---|---|---|---|---|---|---|---|
| Product 1: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 2: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 3: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 4: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 5: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Product 6: | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

## RAW MATERIALS AND INTERMEDIATE PRODUCTS

Indicate in the tables below the quantities per year of raw materials and intermediate products that will be used for each one of the products.

| Material inputs - Item descriptions | Unit |
|---|---|
| Item 1: ..... | ..... |
| Item 2: ..... | ..... |
| Item 3: ..... | ..... |
| Item 4: ..... | ..... |
| Item 5: ..... | ..... |
| Item 6: ..... | ..... |

| Units Prices (in US $) | Item 1 | Item 2 | Item 3 | Item 4 | Item 5 | Item 6 |
|---|---|---|---|---|---|---|
| *** Raw materials *** | | | | | | |
| Cif import price | ..... | ..... | ..... | ..... | ..... | ..... |
| (+) tax and duties | ..... | ..... | ..... | ..... | ..... | ..... |
| Local purchase price | ..... | ..... | ..... | ..... | ..... | ..... |
| Total purchase price | ..... | ..... | ..... | ..... | ..... | ..... |

*** Utilities ***

| Item | Unit | Price | (% Tradable) (*) |
|---|---|---|---|
| Electricity | 1000 kwh | ..... | (30) |
| Liquid fuels | 1000 ltr | ..... | (30) |
| Diesel | 1000 ltr | ..... | (30) |
| Wood | Tons | ..... | (30) |
| Water | 1000 ltr | ..... | (30) |

Material consumed per unit output, by product: (use as many as precision requires)

| Raw materials: | Prod. 1 | Prod. 2 | Prod. 3 | Prod. 4 | Prod. 5 | Prod. 6 |
|---|---|---|---|---|---|---|
| Item 1: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 2: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 3: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 4: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 5: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 6: | ..... | ..... | ..... | ..... | ..... | ..... |
| Utilities: | | | | | | |
| Electricity: | ..... | ..... | ..... | ..... | ..... | ..... |
| Liquid fuels: | ..... | ..... | ..... | ..... | ..... | ..... |
| Diesel: | ..... | ..... | ..... | ..... | ..... | ..... |
| Wood: | ..... | ..... | ..... | ..... | ..... | ..... |
| Water: | ..... | ..... | ..... | ..... | ..... | ..... |

(*) Modify if local conditions or your experience suggest different rates

NOTE: Whenever no data are needed, leave space blank: all data fields in PROPSPIN programme have been pre-set to zero.

LABOUR

| (By product-line) | Total | Prod.1 | Prod.2 | Prod.3 | Prod.4 | Prod.5 | Prod.6 |
|---|---|---|---|---|---|---|---|
| Unskilled | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Semi-skilled | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Skilled & technical | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Clerical/admin. | ..... | | | | | | |
| Management | ..... | | | | | | |
| Expatriate temporary | ..... | | | | | | |
| Expatriate permanent | ..... | | | | | | |

Pay rates: (US$) Total

| | | |
|---|---|---|
| Unskilled | ..... | per day |
| Semi-skilled | ..... | per day |
| Skilled and technical | ..... | per day |
| Clerical/admin. | ..... | per month |
| Management | ..... | per month |
| Expatriate-temporary | ..... | per month |
| Expatriate-permanent | ..... | per month |

| | % repatriated (*) |
|---|---|
| Expatriate-temporary | (50) |
| Expatriate-permanent | (50) |

| OTHER OVERHEADS: | Local | Foreign |
|---|---|---|
| Taxes, levies, etc. | ..... | ..... |
| Training | ..... | ..... |
| Transportation | ..... | ..... |
| Building rent | ..... | ..... |
| Miscellaneous | ..... | ..... |
| Admin. and mktg. expenditure | ..... | ..... |

| WORKING CAPITAL REQUIREMENTS | No. days (*) |
|---|---|
| Cash | (5) |
| Accounts receivable | (30) |
| Accounts payable | (45) |
| Inventories: | |
| - Raw materials | (120) |
| - In-process | (15) |
| - Finished products | (30) |
| - Spares | (120) |

Depreciation allowances for Tax purposes
**Select the type applicable**

| | Percent | Percent |
|---|---|---|
| | declining balance | straight line |
| Machinery initial allowance | | ..... |
| Machinery first shift | ..... | ..... |
| each additional shift | ..... | ..... |
| Office equipment, furniture | ..... | ..... |
| Vehicles | ..... | ..... |

* Modify if local conditions or your experience suggest different rates.

NOTE Whenever no data are needed, leave space blank: all data fields in the PROPSPIN Programme have been pre-set to zero.

UNIDO INDUSTRIAL INVESTMENT PROGRAMME
Industrial Investment Division

SUMMARY OF AN INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP)

FOR A NEW INVESTMENT PROJECT

Country: *Project No.: *Category: *ISIC:

Project Title:

Section I: Brief description of Product(s):

Section II: (a) Brief description of the project and its rationale; include critical environmental consideration:

(b) Market: Domestic ____ %
Export ____ %

(c) Planned capacity (maximum rated capacity)

d) Proposed ownership structure:
National government ___ % National Private _____ %
Foreign ___ %

e) Estimated total new project cost:

Foreign currency US$ _____ National currency _____
On _____ the exchange rate was _____
(date)

Section III: The national partner/investor is a:
Government enterprise [ ] Mixed enterprise [ ]
Private enterprise [ ] Not yet identified [ ]
Name, postal address, telex, fax and telephone no. of the contact person: _____

Section IV: Foreign investment resources sought:
(i) Project Financing through:

- equity [ ]
- loan [ ]
- non-traditional financing [ ]
  (countertrade, etc.)
- other (specify) [ ]
  .....
  .....

(ii) Agreements to provide and/or to finance the provision of:

- management expertise [ ]
  (marketing, financial, training)
- technical expertise [ ]
  (production, design, training)
- machinery and equipment [ ]
- technology aquisition (licence,etc.) [ ]
- access to foreign markets [ ]
- subcontracting [ ]
- other (specify) [ ]

Section V: Available studies, reports, etc.:
[ ] feasibility study [ ] a detailed project description [ ] other (specify)

This summary was prepared by: _____ on _____
(date)
_____
(name, addresse, telex no. etc.) in _____

* To be determined in consultation with UNIDO/IID

## IV. SAMPLE INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP) AND SUMMARY FOR AN EXPANSION/MODERNIZATION OR REHABILITATION PROJECT INTRODUCTORY NOTE AND INSTRUCTIONS:

(1) The UNIDO Industrial Investment Programme (IIP) achieves its objective of mobilizing foreign investment resources (financing, expertise, technology, equipment, market access, etc.) for developing countries by assisting their investors/entrepreneurs in the identification, formulation and promotion of specific, and potentially viable, industrial investment projects which require foreign investment resources for their implementation.

(2) The Industrial Investment Project Profile (IIPP) is the instrument or tool used by UNIDO IIP to identify and formulate an industrial investment project in preparation for its screening and subsequent promotion by presenting it to potential suppliers, on a business basis, of the foreign investment resources required by investors in developing countries. Hence the crucial importance of this IIPP and of the reliability of the information it contains. However, it should be emphasized that the IIPP itself is not intended to be a pre-investment study. The purpose of this IIPP is to facilitate the promotion of the project - i.e. convincing the potential foreign partner contacted by UNIDO IIP that he could profit from entering into a business relationship with the national investor for the supply of the foreign investment resources sought by the latter.

(3) This IIPP has five main sections, the information provided in each section and the degree of detail should be dictated by the nature of the investment project, the availability of information, and above all by the nature of the foreign investment resources sougth by the national investor. Bearing in mind the important fact that the potential foreign partner learns about the investment project from the IIPP and it is the latter which can convince him of contacting the national investor to pursue their business negotiations, the length of each section of this IIPP can be a few lines or several pages depending on the availability of reliable information; there is no limit to the information which can be included or summarized in, or annexed to, section five. Any information which has not been checked or verified should be clearly indicated. The minimum information without which UNIDO IIP cannot accept an IIPP for screening and subsequent promotion is: (a) a clear description of the product to be produced and the target market(s) (sections I and II); (b) adequate information on the national investor (section III); (c) as clear as possible a description of the investment resources which the national investor plans to invest in the project and those which he is seeking to obtain from foreign partners (sections III and IV) and (d) the project's rationale or the essence of the proposed business (section II).

(4) If insufficient space has been provided for certain answers, or if a particular aspect of relevance to the project is not covered by this IIPP, additional sheets should be attached. On the other hand, if there is insufficient information to answer a question, an estimate should be given if possible and a note should be included clearly indicating where an estimate

was made. If data is available to complete Part II of section V of this IIPP, some parts and tables in Sections II and III may not need to be completed since this will only repeat information provided in Part II of Section V. Priority should be given to completing Part II of Section V.

(5) The information which the national investor wishes to have treated confidentially should be indicated.

(6) It may occur during the preparation of an IIPP that the project is judged to be requiring technical assistance on a grant basis before it can become suitable for promotion as a business venture. Such technical assistance requirement should be brought as soon as possible to the attention of UNIDO IIP for follow-up.

(7) Whenever possible, this IIPP should be prepared on a computer diskette; a print-out together with the diskette (specifying the type of software used) should be sent to the address given in item (8) below.

(8) Any correspondence concerning the proposed project (and any other matter connected with UNIDO's industrial investment activities) should be addressed to:

The Director
Industrial Investment Division
United Nations Industrial Development Organization (UNIDO)
P.O.Box 300
A-1400 Vienna
Austria, Europe

Telephone: 211310
Telex: 113340
Telefax: 2308260

INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP) FOR AN EXPANSION/MODERNIZATION OR REHABILITATION PROJECT
(See Introductory Note and Instructions before completing this IIPP)

Country:

Project Title:

Project No.: * Category:* ISIC:*

This IIPP was prepared by _____
(Name, Address)

on _____ in _____
(date) (place)

## SECTION I

DESCRIPTION AND SPECIFICATIONS OF THE PRODUCT(S) WHICH EXISTING PRODUCTION FACILITIES ARE OR WERE PRODUCING OR MARKETING AND OF THE NEW PRODUCT(S) TO BE PRODUCED OR TO BE MARKETED:

I.1 Describe the main characteristics/specifications of the products which are being produced (or were being produced until the stoppage occurred) using Table I.1. Add additional sheets if required.

Table I.1

| | Product(s) | Specifications (size, type, quality, etc.) | Still Being Produced | Were Being Produced |
|---|---|---|---|---|
| 1: | | | | |
| 2: | | | | |
| 3: | | | | |
| 4: | | | | |
| 5: | | | | |
| 6: | | | | |

* To be determined in consultation with UNIDO/IID

I.2. Describe the main characteristics/specifications of the new product(s) to be produced (size, type, quality, etc.) using Table I.2. Add additional sheets if required.

Table I.2

| | Product(s) | Specifications (size, type, quality, etc.) |
|---|---|---|
| 1: | | |
| 2: | | |
| 3: | | |
| 4: | | |
| 5: | | |
| 6: | | |

## SECTION II

## DESCRIPTION OF THE EXPANSION/MODERNIZATION OR REHABILITATION PROJECT AND ITS RATIONALE ESPECIALLY TARGET MARKET(s) AND MARKETING INVESTIGATIONS COMPLETED OR ONGOING:

### II.1 Description of the project and its rationale

II.1.1 Describe briefly background to the existing business and production facilities, indicate whether production concerned is currently operational, and if not, since when it has been at a standstill, and the reasons therefor. Indicate make and date of purchase and of installation of main machinery and equipment. Indicate critical environmental considerations.

II.1.2. What are the main objectives of the project?

Restarting production after stoppage ( ). Increasing output ( ). Better quality products ( ). Reducing production and selling costs ( ). Launching new product lines ( ). Export marketing ( ). Other ( ) (please supply all relevant details).

II.1.3. Describe briefly the production process that has been used hitherto and indicate the changes not described above, envisaged by the project. What changes in the production lines will occur after implementation of the envisaged expansion/modernization or rehabilitation, if any?

II.1.4. Is government approval of the project required? If yes, what is the present approval status?

II.1.5. Does the project qualify for government support in the shape of:

Subsidies ( ) Soft loans ( ) Tax exemptions on profits ( ) Exemption from customs duty on imports of: raw materials ( ) plant and equipment ( ). Other (please specify).

What is the estimated value of these exemptions in the first 3 years?

What is the status of government approval to grant these exemptions?

II.1.6. Indicate the net operating result (before taxes) of the business for the latest 3 years available, specifying the latest year shown. Losses should be shown in brackets.

Indicate the total indebtedness of the business to banks, distinguishing between amounts owed to commercial banks and amounts owed to development finance institutions and others.

Indicate the amount of any arrears of interest and/or loan repayment owing to financing institutions and since when outstanding.

## II.2. PLANT CAPACITY AND PRODUCTION PROGRAMME

### II.2.1. Plant Capacity

Indicate the maximum rated capacity of the: (i) existing and operating, (ii) existing and non-operating, and (iii) planned new production facilities for each finished product [main product(s), by-product(s)] using Tables.II.2.1(i), (ii) and (iii).

Table II.2.1.(i)

Maximum rated capacity of existing and operating production facilities

| Products as listed in Table I.1 | Units Per Day | No. of Shifts Per Day | Working Days Per Yr. | Units Per Yr. | Average Actual Products |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |

Table II.2.1.(ii)

Maximum rated capacity of existing and non-operating production facilities

| | Products as listed in Table I.1 | Units Per Day | No. of Shifts Per Day | Working Days Per Yr. | Units Per Yr. | Ave.Annual Prod.When Plant was Operating | Stoppage Occurred in (month, Year) |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |

Table II.2.1.(iii)

Maximum rated capacity of planned new production facilities

| | Products as listed in Table I.1 | Units Per Day | No. of Shifts Per Day | Working Days Per Yr. | Units Per Yr. | Expected Act. Prod. as % of Max. Rated Capacity |
|---|---|---|---|---|---|---|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |

II.2.2. Production Programme:

Indicate the production programme using Table II.2.2.

Table II.2.2.

| Production Programme (for 10 years) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Product(s) as listed in Table II.1 | % of maximum rated capacity or number of units by year | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1 | | | | | | | | | | |
| 2 | | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| 6 | | | | | | | | | | |

II.3. MARKETS AND MARKETING STRATEGY

II.3.1 Markets

II.3.1.1. Market for product(s) of existing facilities still in operation:

If these product(s) are being sold, indicate when sales were started, significant interruptions in sales, where sales were effected (domestic and export markets), quantities sold in each market, selling prices, percentage share of domestic or export market these sales represent, etc.

II.3.1.2. Market for product(s) of existing facilities which ceased operation:

If these product(s) were being sold, indicate years during which these sales were effected, in domestic or export markets, quantities sold in each market, selling prices, percentage share of domestic or export markets these sales represented, etc.

II.3.1.3. **Market for additional quantities or new products to be produced**

How will the additional or new product(s) be sold?

On existing market(s) ( ) On new Market(s) ( ) (please indicate location).

If the domestic market is to be targeted, estimate the current annual domestic sales and demand for the products envisaged by this project, the rate at which this demand is expected to grow over the next five years using Table II.3.1.2:

Table II.3.1.2.

| | Product(s) | Current Annual Domestic Sales (Unit) | Estimated Current Annual Domestic demand (Unit) | Estimated Annual Growth rate over the next five years (% per year) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |

If the domestic market is to be targeted, indicate what percentage of current annual domestic sales is produced domestically and what percentage is imported and at what prices using Table II.3.1.3.:

Table II.3.1.3.

| | Product | Domestic production | | Imports | |
|---|---|---|---|---|---|
| | | Percentage of current annual domestic sales | Current Selling price per unit in local currency: specify | Percentage of current annual domestic sales | Current CIF cost per unit (in hard currency) specify |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |

The exchange rate between local and hard currency was .....on .....

If export markets are to be targeted, indicate which markets:

II.3.2. Marketing Strategy

II.3.2.1. In which markets is the total future production of the project expected to be sold:

domestic markets _____% of total production
export markets _____ % " " "

What share of the total current domestic market does the above percentage represent:
_____% of total domestic market

Describe how domestic demand is expected to grow in the next five to ten years and the domestic market share of the project is expected to perform during the same period.

II.3.2.2. What measures will be taken to capture (a share of) the local market?

[ ] Requesting Government protection from imports

[ ] Offering lower sales prices

[ ] Manufacturing better quality products

[ ] Offering better servicing

( ) Other (specify)

II.3.2.3. What measures will be taken to market the product(s) in the targeted export markets?

II.3.2.4. Describe existing sales organization and proposed future changes if any (size, qualifications)

## SECTION III

### THE NATIONAL OWNER(S) OF THE EXISTING PRODUCTION FACILITIES AND THE RESOURCES HE INVESTED AND THOSE HE WILL INVEST IN THE PROJECT: *

As much as possible of the information requested below should be supplied by the national owner, preferably using the letterhead of his existing business. For this purpose the national owner is the person (or persons) who will ultimately lead the negotiations on implementation of the investment project with a prospective foreign partner, and must therefore always be a natural person, regardless of whether he trades in his own name, and that of any partners he may have, or in the name of a legal entity such as a limited liability company. The owner should feel at liberty to provide any additional information he considers may facilitate the screening of his project by UNIDO and by prospective foreign partners.

III.1. Full name, address, telephone (business and private) and telex of the national owner of the existing production facilities and of the contact person for the promotion of the investment project.

III.2. Full name, address, telephone and telex of the owner's business , if different from the above.

III.3. The owner's title and function in the business.

III.4. Details of any formal educational qualifications (degree, diploma, licence, practical or on the job training, etc) and establishment where obtained, held by the owner and by key management personnel and relevant to their functions.

III.5. Type of business in which previously or currently engaged and number of years of experience, e.g. manufacturing, assembly, maintenance, wholesale or retail trade, consulting; items traded or produced; location of production facilities; number of own sales outlets; number of employees, distinguishing between managerial, clerical/sales and manual workers; approximate net worth and net current assets of the business.

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*) If a UNIDO staff member or consultant is completing the IIPP he should seek to confirm the information provided by the national investor and should make a specific statement to this effect and attach it to this IIPP. An example of a statement is the following:

I have reviewed the above information and confirm that it is consistent with my own observations and discussions with the local investor and other concerned persons, subject only to any reservations specified below.

I have the following additions or reservations as regards the information given above:

Date: Place: Signature:

III.6. Present ownership structure of the business or other entity which owns the existing production facilities which are to be rehabilitated or expanded. Give names and addresses of other shareholders or part-owners of the business. If the business is part of a group of companies, give brief details of the group, its ultimate ownership and its other business activities.

III.7. Who is (or was) directly managing the business, give details regarding each management function (administrative, production, marketing, etc.)

III.8. Annual sales turnover and the share of exports in such turnover.

III.9. Whether financial statements covering the last three years are available, and whether they have been independently audited.

III.10. The name and address of the business's local and foreign bankers and an indication whether they may be approached by a potential foreign partner for reference.

III.11. What ownership structure is proposed for the rehabilitated or expanded business?

III.12. Describe the additional investment resources (financial, real assets, expertise, etc.) which the national owner(s) is planning to invest in the project.

III.13. Any other information which the owner(s) feels is of concern to a potential foreign partner.

## SECTION IV

## FOREIGN INVESTMENT RESOURCES SOUGHT BY THE NATIONAL OWNER(S)

IV.1 Attach the written confirmation of the national and/or foreign owners' wish that UNIDO IIP promotes his project - i.e. assists in identifying potential foreign suppliers of the required foreign investment resources and in establishing direct contact between the owner sand these potential foreign suppliers.

IV.2. Indicate and describe the resources sought.

IV.2.1. Project financing through:

(i) equity participation: (percentage of total equity and amount; date when amount is to be transferred, special incentives available to foreign investor and other relevant national regulations, preferred sources, etc.)

(ii) loan: (amount, duration, desired interest rate, grace period, etc., purpose for which loan will be used, guarantees for repayment, when and how owners wish to have loan transferred, preferred sources,etc.):

(iii) Non-traditional financing: [what type (buyback, countertrade), terms and conditions and brief description of applicable national regulations, preferred sources, etc.]:

(iv) Other (specify):

IV.2.2. Describe previous attempts, if any, to obtain required financing, sources approached (especially national financing institutions), and results achieved; indicate proposed promotion strategy, if any to be adopted by UNIDO IIP:

IV.2.3. Agreements to provide and/or to finance the provision of: -

(i) management and/or technical expertise: (describe and indicate starting date, duration, if financing required and for how long, preferred sources, etc.)

(ii) machinery and equipment: (describe, indicate preferred country of origin, when required, period of financing, if required, and repayment guarantees)

(iii) technology acquisition: (describe technology required and indicate preferred modality of acquisition (licence, franchise, etc.), preferred source or country of origin, etc.)

(iv) market access: (indicate which markets, previous experience selling in export markets, nature of proposed business agreement, etc.)

(v) Subcontracting: (describe products, previous subcontracting experience, in terms fo products and markets, important elements of proposed business agreement, etc.)

(vi) other (specify):

IV.2.4. Describe previous attempts, if any, to obtain above investment resources, sources approached and results obtained; indicate proposed promotion strategy, if any, to be adopted by UNIDO IIP:

## SECTION V

DOCUMENTATION/STUDIES COMPLETED, UNDER PREPARATION OR EXPECTED TO BE REQUIRED TO CONVINCE POTENTIAL FOREIGN PARTNERS OF THE ATTRACTIVENESS OF THE INVESTMENT PROJECT AS A BUSINESS OPPORTUNITY AND TO ENTER INTO NEGOTIATIONS WITH INVESTORS FROM THE DEVELOPING COUNTRY CONCERNED FOR THE SUPPLY OF THE FOREIGN INVESTMENT RESOURCES REQUIRED BY THE LATTER. SUCH DOCUMENTATION MAY INCLUDE PRE-INVESTMENT, DIAGNOSTIC, MARKET, OR OTHER STUDIES, AS WELL AS GUARANTEES OR CONTRACTS FORMS, ETC.

If project financing is sought by the national owner, convincing pre-investment studies will be required by potential foreign financiers. Annex E contains an outline of the preliminary project information file required by a typical financing institution. Similary if the national owner is seeking agreements to provide expertise or other forms of business co-operation such as access to foreign markets or subcontracting, potential foreign partners will require proposed texts of agreements, tests results, market investigations, etc. which provide details and substantiate the statements made in the above four sections.

### PART I

V.1 Are any pre-investment studies, project reports, etc. available or being prepared on the project?

[ ] Yes [ ] No

If yes, please list and give dates when they were completed and by whom, including studies under preparation, or necessary updating:

| Under preparation: | Date completed: | By whom: | No. of pages: |
|---|---|---|---|
| [ ] (Pre-)feasibility study | _____ | _____ | _____ |
| [ ] Full feasibility study | _____ | _____ | _____ |
| [ ] Detailed project description | _____ | _____ | _____ |
| [ ] Preliminary Project Information File | _____ | _____ | _____ |
| [ ] Detailed description of non project finance related investment resources | _____ | _____ | _____ |
| [ ] Technical study | _____ | _____ | _____ |
| [ ] Other (specify) | _____ | _____ | _____ |

Attach one copy of each study or report completed and of the TOR of those under preparation or comtemplated.

V.2. For projects seeking financing, summarize, under the following headings, relevant findings, conclusions and recommendations of each study completed, as well as of the TOR of those under preparation or contemplated:

(i) Description of and justification for technology and plant size selected for the expanded or rehabilitated project. Description of the existing machinery and equipment which will continue to be used in the rehabilitated or expanded project, and whether any reconditioning is required, etc.

(ii) Costs and availability of raw materials, energy and manpower for the expansion or rehabilitation project.

(iii) Project approval by relevant government authorities if required and status of approval.

(iv) Fiscal and other incentives which can be, or have already been, granted to the project and its product(s).

(v) Financial forecasts covering: total additional investment required; sources of finance; analysis of revenues and operating costs; rates of return and sensitivity analysis (an analysis of how changes in assumptions can affect financial returns and structure). In order to enable UNIDO IIP to prepare or to verify financial forecasts, the attached PROPSPIN DATA ENTRY FORMS (ANNEX F) must be completed.

(vi) A proposed schedule of implementation of the project covering activities to be undertaken before and after a final investment decision is made.

## PART II

Whenever data is available, the following tables should be completed:

The following data are required to assess the financial viability of the proposed, through the UNIDO software programme PROPSPIN.

PROPSPIN - DATA ENTRY WORKSHEET

| | | |
|---|---|---|
| Foreseen construction period (months) ..... | Income Tax Deferral (Yrs)..... | Rate of Discount (%) ..... (*) |
| Foreseen year of start up of production ..... | Income Tax Rate (%)..... | Inflation (%) ..... |

| INVESTMENT (Thousands US $) | Local | Foreign | Annual Depreciation and Amortization Rate (%) (**) | Annual Maintenance and Insurance Rate (%) (**) |
|---|---|---|---|---|
| Land | ..... | ..... | (0) | (0) |
| Site Preparation | ..... | ..... | (2) | (0) |
| Design & Engineering | ..... | ..... | (10) | (0) |
| Buildings | ..... | ..... | (5) | (2) |
| Service Facilities | ..... | ..... | (5) | (2) |
| Transport Equipment | ..... | ..... | (25) | (5) |
| Plant Mach. & Equip. | ..... | ..... | (10) | (3) |
| Infrastructure | ..... | ..... | (3) | (1) |
| Subtotal | ..... | ..... | | |
| Preproduction Capital Expenditures | ..... | ..... | (25) | |
| Contingencies | ..... | ..... | (5) | |
| Research & developm. | ..... | ..... | (20) | |
| Technology | ..... | ..... | (20) | |
| Tot. Initial Fixed Investment | ..... | ..... | | |
| Net Initial Working Capital | ..... | ..... | | |
| TOTAL INVESTMENT | ..... | ..... | | |

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(*) If not available give an estimate based on cost of medium terms loans, plus 2-3 % as "risk factor".

(**) Modify if local conditions or your experience suggest different rates.

Note: Whenever no data are needed leave space blank: all data fields in the PROPSPIN Programme have been pre-set to zero.

CAPITAL
STRUCTURE

| (Thousand US $) | Local | Foreign | |
|---|---|---|---|
| Equity | ..... | ..... | ..... (% of Net Profit) |

| Loans | | | Interest Rate (%) | | Terms of repayment (Yrs) | | Grace period (Yrs) | |
|---|---|---|---|---|---|---|---|---|
| | | | Loc. | Forgn. | Loc. | Forgn. | Loc. | Forgn. |
| Long term loans | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Short term loans | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Bonds/Debentures | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Suppliers Credits | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Export Credits | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Subsidies | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

| | | |
|---|---|---|
| Total Debt and Equity | ..... | ..... |
| Total Debt. | | |

OPERATIONS DATA

| PRODUCTION/SALES | PRODUCTION DESCRIPTIONS | UNIT: |
|---|---|---|
| Product 1: | | |
| Product 2: | | |
| Product 3: | | |
| Product 4: | | |
| Product 5: | | |
| Product 6: | | |

| | Prod. 1 | Prod. 2 | Prod. 3 | Prod. 4 | Prod. 5 | Prod. 6 |
|---|---|---|---|---|---|---|
| Capacity/Year (in units) | | | | | | |
| Number of shifts: | | | | | | |
| Number of days/year: | | | | | | |
| Unit Prices (US$): | | | | | | |
| - domestic price: | | | | | | |
| - (+) subsidy (if any) | | | | | | |
| - (-) tax & duties | | | | | | |
| - fob esxport price | | | | | | |
| - export rebate % (if any) | | | | | | |
| - cif import price | | | | | | |

| Annual capacity utilization (%) | Year: 1 | 2 | 3 | 4 | 5 | 6 | 7-15 |
|---|---|---|---|---|---|---|---|
| Product 1: | | | | | | | |
| Product 2: | | | | | | | |
| Product 3: | | | | | | | |
| Product 4: | | | | | | | |
| Product 5: | | | | | | | |
| Product 6: | | | | | | | |

| Part of product. exported (%) | Year: 1 | 2 | 3 | 4 | 5 | 6 | 7-15 |
|---|---|---|---|---|---|---|---|
| Product 1: | | | | | | | |
| Product 2: | | | | | | | |
| Product 3: | | | | | | | |
| Product 4: | | | | | | | |
| Product 5: | | | | | | | |
| Product 6: | | | | | | | |

## RAW MATERIALS AND INTERMEDIATE PRODUCTS

Indicate in the tables below the quantities per year of raw materials and intermediate products that will be used for each one of the products.

| Material inputs - Item descriptions | Unit |
|---|---|
| Item 1: ..... | ..... |
| Item 2: ..... | ..... |
| Item 3: ..... | ..... |
| Item 4: ..... | ..... |
| Item 5: ..... | ..... |
| Item 6: ..... | ..... |

| Units Prices (in US $) | Item 1 | Item 2 | Item 3 | Item 4 | Item 5 | Item 6 |
|---|---|---|---|---|---|---|
| *** Raw materials *** | | | | | | |
| Cif import price | ..... | ..... | ..... | ..... | ..... | ..... |
| (+) tax and duties | ..... | ..... | ..... | ..... | ..... | ..... |
| Local purchase price | ..... | ..... | ..... | ..... | ..... | ..... |
| Total purchase price | ..... | ..... | ..... | ..... | ..... | ..... |

*** Utilities ***

| Item | Unit | Price | (% Tradable) (*) |
|---|---|---|---|
| Electricity | 1000 kwh | ..... | (30) |
| Liquid fuels | 1000 ltr | ..... | (30) |
| Diesel | 1000 ltr | ..... | (30) |
| Wood | Tons | ..... | (30) |
| Water | 1000 ltr | ..... | (30) |

Material consumed per unit output, by product: (use as many as precision requires)

| Raw materials: | Prod. 1 | Prod. 2 | Prod. 3 | Prod. 4 | Prod. 5 | Prod. 6 |
|---|---|---|---|---|---|---|
| Item 1: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 2: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 3: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 4: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 5: | ..... | ..... | ..... | ..... | ..... | ..... |
| Item 6: | ..... | ..... | ..... | ..... | ..... | ..... |
| Utilities: | | | | | | |
| Electricity: | ..... | ..... | ..... | ..... | ..... | ..... |
| Liquid fuels: | ..... | ..... | ..... | ..... | ..... | ..... |
| Diesel: | ..... | ..... | ..... | ..... | ..... | ..... |
| Wood: | ..... | ..... | ..... | ..... | ..... | ..... |
| Water: | ..... | ..... | ..... | ..... | ..... | ..... |

(*) Modify if local conditions or your experience suggest different rates

NOTE: Whenever no data are needed, leave space blank: all data fields in PROPSPIN programme have been pre-set to zero.

LABOUR

| (By product-line) | Total | Prod.1 | Prod.2 | Prod.3 | Prod.4 | Prod.5 | Prod.6 |
|---|---|---|---|---|---|---|---|
| Unskilled | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Semi-skilled | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Skilled & technical | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Clerical/admin. | ..... | | | | | | |
| Management | ..... | | | | | | |
| Expatriate temporary | ..... | | | | | | |
| Expatriate permanent | ..... | | | | | | |

Pay rates: (US$) Total

| | | | |
|---|---|---|---|
| Unskilled | ..... | per day | |
| Semi-skilled | ..... | per day | |
| Skilled and technical | ..... | per day | |
| Clerical/admin. | ..... | per month | |
| Management | ..... | per month | |
| Expatriate-temporary | ..... | per month | % repatriated (*) (50) |
| Expatriate-permanent | ..... | per month | (50) |

| OTHER OVERHEADS: | Local | Foreign | WORKING CAPITAL REQUIREMENTS | No. days (*) |
|---|---|---|---|---|
| | | | Cash | (5) |
| Taxes, levies, etc. | ..... | ..... | Accounts receivable | (30) |
| Training | ..... | ..... | Accounts payable | (45) |
| Transportation | ..... | ..... | Inventories: | |
| Building rent | ..... | ..... | - Raw materials | (120) |
| Miscellaneous | ..... | ..... | - In-process | (15) |
| Admin. and mktg. expenditure | ..... | ..... | - Finished products | (30) |
| | | | - Spares | (120) |

Depreciation allowances for Tax purposes
**Select the type applicable**

| | Percent | Percent |
|---|---|---|
| Machinery initial allowance | ..... | ..... |
| | declining balance | straight line |
| Machinery first shift | ..... | ..... |
| each additional shift | ..... | ..... |
| Office equipment, furniture | ..... | ..... |
| Vehicles | ..... | ..... |

* Modify if local conditions or your experience suggest different rates.

NOTE Whenever no data are needed, leave space blank: all data fields in the PROPSPIN Programme have been pre-set to zero.

UNIDO INDUSTRIAL INVESTMENT PROGRAMME
Industrial Investment Division

SUMMARY OF AN INDUSTRIAL INVESTMENT PROJECT PROFILE (IIPP)
FOR AN EXPANSION/MODERNIZATION OR REHABILITATION INVESTMENT PROJECT

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Country: *Project No.: *Category: *ISIC:

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Project Title:

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Section I: Brief description of the Product(s) to be produced by the expanded or rehabilitated project. Indicate which of these products are or were being produced by existing facilities:

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Section II: (a) Brief description of the existing facilities and of the project and its rationale; include critical environmental consideration:

(b) Market for products of the expanded or rehabilitated project:
Domestic ____ %
Export ____ %

d) Proposed ownership structure of the project after expansion or rehabilitation:
National Government ____ % National Private ____ %
Foreign ____ %

(c) Planned capacity:

Present capacity:_____
Maximum new rated capacity: _____

e) Estimated total additional investment for expansion or rehabilitation projects:
Foreign currency US$ _____National currency_
On _____ the exchange rate was _____
(date)

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Section III: The national owner(s) or is a:
Government enterprise [ ] Mixed enterprise [ ] of which _____ % is private
Private enterprise [ ] Other [ ]
Name, postal address, telex, fax and telephone no. of the contact person:_____

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Section IV: Foreign investment resources sought:

(i) Project Financing through:

- equity [ ]
- loan [ ]
- non-traditional financing [ ] (countertrade, etc.)
- other (specify) [ ]
  .....
  .....

(ii) Agreements to provide and/or to finance the provision of:

- management expertise [ ] (marketing, financial, training)
- technical expertise [ ] (production, design, training)
- machinery and equipment [ ]
- technology aquisition (licence,etc.) [ ]
- access to foreign markets [ ]
- subcontracting [ ]
- other (specify) [ ]

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Section V: Available studies, reports, etc.:
[ ] feasibility study [ ] a detailed project description [ ] other (specify)

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This summary was prepared by: _____ on _____
(date)

_____
(name, addresse, telex no. etc.) in _____
(place)

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* To be determined in consultation with UNIDO/IID